



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: June 10, 2016  
MAHS Docket No.: 16-004702  
Agency No.: [REDACTED]  
[REDACTED]

**ADMINISTRATIVE LAW JUDGE: Zainab A. Baydoun**

### **HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a three way telephone hearing was held on May 16, 2016, from Detroit, Michigan. The Petitioner was represented by [REDACTED], his Authorized Hearing Representative (AHR). The Department of Health and Human Services (Department) was represented by [REDACTED], Assistance Payment Worker.

### **ISSUE**

Did the Department properly process Petitioner's Medical Assistance (MA) benefits?

### **FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Petitioner was an ongoing recipient of MA benefits.
2. On October 28, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice advising him that for the period of December 1, 2015, ongoing, he was approved for MA with a monthly deductible of \$1069. (Exhibit A)
3. On December 17, 2015, Petitioner submitted medical expenses to verify that he incurred sufficient expenses to meet his MA deductible for the month of December 2015.

4. On December 23, 2015, the Department sent Petitioner a Health Care Coverage Determination Notice advising him that for December 1, 2015, he was approved for MA with a monthly deductible of \$1069 and that for the period of December 2, 2015, to December 31, 2015, he was approved for full coverage MA benefits. (Exhibit B)
5. The Department activated Petitioner's full coverage MA effective December 2, 2015.
6. On April 6, 2016, Petitioner requested a hearing disputing the Department's failure to process medical expenses and activate full coverage MA benefits starting December 1, 2015.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

Group 2 MA income eligibility exists for the calendar month tested when there is no excess income or the allowable medical expenses (defined in Exhibit 1) equal or exceed the excess income. When old bills, personal care services, the cost of hospitalization (defined in Exhibit IC), or long term care equals or exceeds the group's excess income for the month tested, income eligibility exists for the entire month. When old bills, personal care services, the cost of hospitalization, or long term care do not equal or exceed the group's excess income for the month being tested, income eligibility begins either: the exact day of the month the allowable expenses exceed the excess income or the day after the day of the month the allowable expenses equal the excess income. BEM 545 (October 2015), p. 1.

If the client still has excess income, BEM 545 provides that a client may still be eligible for Group 2 MA if sufficient allowable medical expenses are incurred through a deductible process. BEM 545, p. 10. The Department will open an MA case without ongoing Group 2 MA coverage as long as the fiscal group has excess income and at

least one fiscal group member meets all other Group 2 MA eligibility factors. These cases are called active deductible cases and each calendar month is a separate deductible period, with MA coverage added each time the group meets its deductible. BEM 545, p. 10.

The fiscal group's monthly excess income is called a deductible amount. To meet a deductible, a MA client must report and verify allowable medical expenses (defined in Exhibit I) that equal or exceed the deductible amount for the calendar month being tested. The group must report expenses by the last day of the third month following the month in which client wants MA coverage. BEM 545, p. 11. The Department is to add periods of MA coverage each time the group meets its deductible. BEM 545, p.11. A group may report additional expenses that were incurred prior to the MA eligibility begin date referenced above. The Department is not to alter the MA eligibility begin date if coverage has already been authorized on Bridges, however, any expenses the group reports that were incurred from the first of such month through the day before the MA eligibility begin date might be countable as old bills and applied to future months deductible. See Exhibit 1B and Example 7 in Exhibit IV of BEM 545. BEM 545, pp. 12-13.

In this case, Petitioner requested a hearing to dispute the Department's failure to activate full coverage MA benefits beginning December 1, 2015. It was established at the hearing that on December 17, 2015, the Department received verification to show that Petitioner incurred sufficient medical expenses to meet his monthly deductible for the month of December 2015. The Department stated that the expenses were processed and full coverage MA was added to Petitioner's MA case starting December 2, 2015. Petitioner was provided with notice of the approval of full coverage MA for the period of December 2, 2015, to December 31, 2015, through a Health Care Coverage Determination Notice. (Exhibit B). At the hearing, Petitioner's AHR asserted that Petitioner incurred sufficient medical expenses to meet the deductible on December 1, 2015, and that full coverage MA benefits should have been added for that day, as verification of the expenses were timely submitted. Petitioner's AHR provided for review at the hearing statements showing that Petitioner incurred expenses in excess of the \$1069 deductible for medical services performed on December 1, 2015. Petitioner's AHR stated that she submitted verification of the expenses to the Department in December 2015 and again in April 2016, which the Department did not dispute. (Exhibit 1).

The Department stated that a Help Desk Ticket [REDACTED] was issued to correct the full MA coverage approval for December 1, 2015, to December 31, 2015, however, it was unknown as of the hearing date if the Help Desk Ticket was resolved. Additionally, the Department could not explain why Petitioner was approved for full coverage MA starting December 2, 2015, and conceded that Petitioner should have been approved for full coverage MA for the entire month of December 2015, starting December 1, 2015.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department failed to satisfy its burden of showing that it acted in accordance with Department policy when it processed Petitioner's MA benefits.

**DECISION AND ORDER**

Accordingly, the Department's decision is **REVERSED**.

THE DEPARTMENT IS ORDERED TO BEGIN DOING THE FOLLOWING, IN ACCORDANCE WITH DEPARTMENT POLICY AND CONSISTENT WITH THIS HEARING DECISION, WITHIN 10 DAYS OF THE DATE OF MAILING OF THIS DECISION AND ORDER:

1. Process Petitioner's medical expenses incurred and apply them to his MA deductible for the applicable period;
2. Activate Petitioner's full coverage MA benefits for the period of December 1, 2015, to December 31, 2015;
3. Pay Petitioner's provider and supplement Petitioner for MA benefits that he was eligible to receive but did not from December 1, 2015, to December 31, 2015; and
4. Notify Petitioner and his AHR of its decision in writing.



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**Zainab A. Baydoun**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

ZB/tlf

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

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